



SOUTHEAST MINNESOTA ECONOMIC DEVELOPMENT REGION 10

Covers counties:

Dodge, Fillmore, Freeborn, Goodhue,
Houston, Mower, Olmsted, Rice,
Steele, Wabasha, and Winona

2015 REGIONAL PROFILE

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DEMOGRAPHICS

POPULATION CHANGE, 2000-2014

Southeast Minnesota, which is also known as Economic Development Region 10, is an 11-county region located in the southeast corner of the state, bordering the Twin Cities metro area, Wisconsin, and Iowa. According to population data from the U.S. Census Bureau, Southeast was home to 500,923 people in 2014, accounting for 9.2 percent of the state's total population. That made it the fourth largest of the 6 planning regions in the state. It was the third fastest growing region, as Southeast gained 40,821 residents over the last decade and a half, an 8.9 percent increase, as compared to a 10.9 percent increase statewide. Home to Rochester, Olmsted County is the largest and fastest growing county in the region with 150,287 people, and was the eighth largest and eighth fastest growing county in the state.

	2000 Population	2014 Estimates	2000-2014 Change	
			Number	Percent
Southeast Minnesota	460,102	500,923	+40,821	+8.9%
Dodge Co.	17,731	20,353	+2,622	+14.8%
Fillmore Co.	21,122	20,776	-346	-1.6%
Freeborn Co.	32,584	30,840	-1,744	-5.4%
Goodhue Co.	44,127	46,423	+2,296	+5.2%
Houston Co.	19,718	18,738	-980	-5.0%
Mower Co.	38,603	39,323	+720	+1.9%
Olmsted Co.	124,277	150,287	+26,010	+20.9%
Rice Co.	56,665	65,151	+8,486	+15.0%
Steele Co.	33,680	36,573	+2,893	+8.6%
Wabasha Co.	21,610	21,362	-248	-1.1%
Winona Co.	49,985	51,097	+1,112	+2.2%
State of Minnesota	4,919,479	5,457,173	+537,694	+10.9%

Source: [U.S. Census Bureau, Population Estimates](#)

POPULATION BY AGE GROUP, 2000-2013

Southeast Minnesota has a slightly older population than the rest of the state, with 15.6 percent of the population aged 65 and over, compared to 13.9 percent statewide. Consequently, Southeast had a lower percentage of people in the 25- to 54-year-old age group, typically considered the “prime working years.” With the presence of several postsecondary educational institutions in the region, there is a slightly higher percentage of people aged 15 to 24 in Southeast Minnesota compared to the state. More than one quarter of the region's population was part of the Baby Boom generation, which is creating a significant shift in the population over time. While the number of younger residents is growing slowly, the number of residents aged 45 years and over is rapidly increasing (see Figure 1 and Figure 2).

Figure 1. Percentage of Population by Age Group, 2013

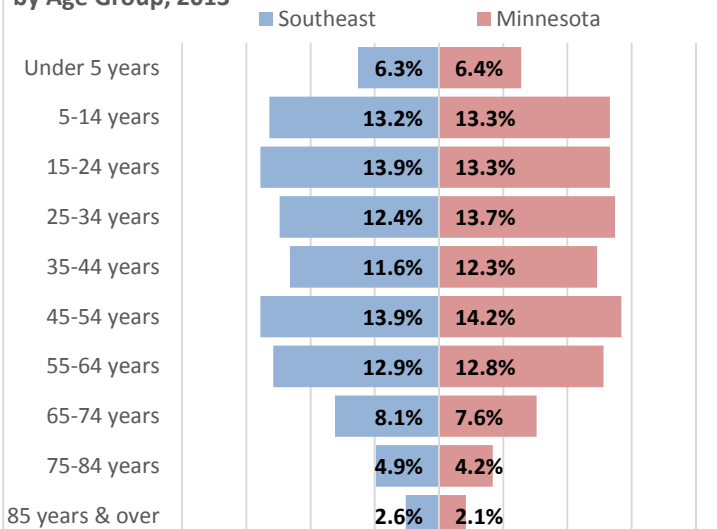
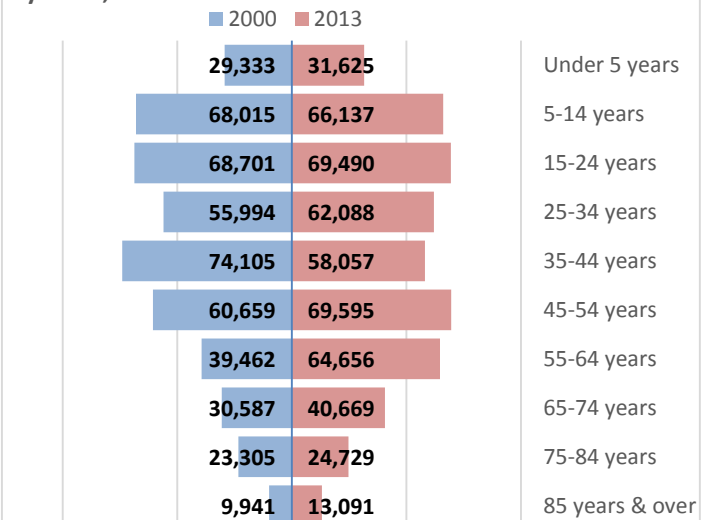


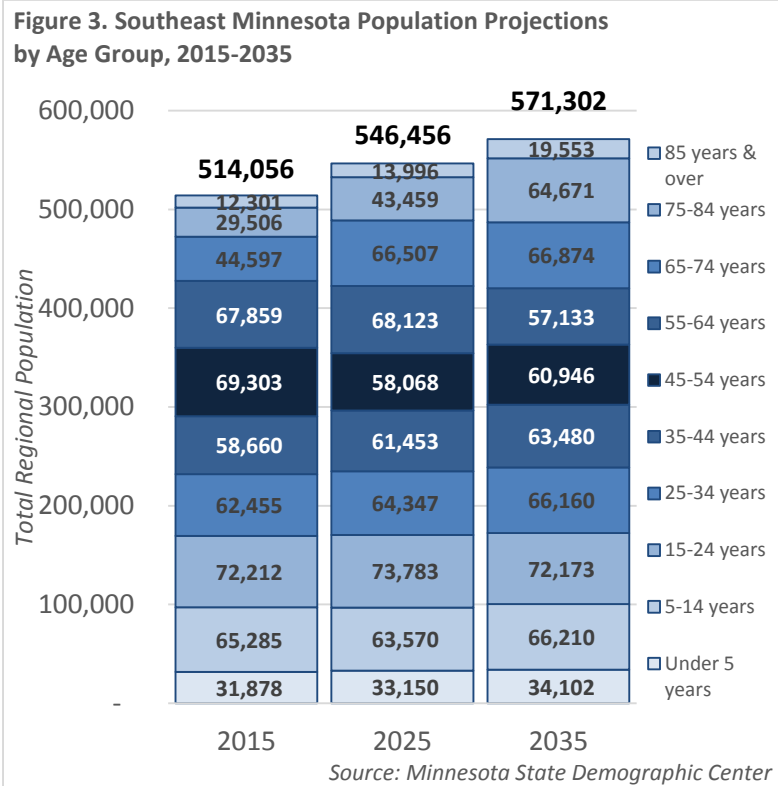
Figure 2. Southeast Minnesota Population Pyramid, 2000-2013



POPULATION PROJECTIONS BY AGE GROUP, 2015-2035

Though the starting projections for 2015 are high compared to 2014 estimates, Southeast is projected to enjoy a steady increase in the next 20 years as well. According to population projections from the State Demographic Center, Southeast is expected to gain about 57,200 net new residents from 2015 to 2035, an 11.1 percent increase (see Figure 3). In comparison, the state is projected to grow 10.8 percent.

However, much of this population growth is expected to be in the older age groups. Southeast is projected to add nearly 65,000 people aged 65 years and over, a 75 percent rise. The region is also expected to see a slight gain in many younger age groups, with a jump of about 8,000 25 to 44 year olds, and a jump of about 2,200 children under 5 years of age. In contrast, Region 10 is expected to lose about 19,000 people from 45 to 64 years of age – as the current Baby Boom generation moves through the population pyramid.



POPULATION BY RACE, 2013

Southeast Minnesota's population is less diverse than the state's, but is becoming more diverse over time. In 2013, nearly 92 percent of the region's residents reported White alone as their race, compared to 85.6 percent of residents statewide. The region had a much smaller percentage of Black or African American residents, American Indian and Alaska Natives, Asian or Other Pacific Islanders, and people of Some Other Race or Two or More Races. However, at 5.1 percent, Southeast had a higher percentage of people reporting Hispanic or Latino origin than the State, and saw huge increases in all race categories except Some Other Race over the past decade (see Table 2).

Table 2. Race and Hispanic Origin, 2013	Southeast			Minnesota	
	Number	Percent	Change from 2000-2013	Percent	Change from 2000-2013
Total	496,621	100.0%	+7.9%	100.0%	+8.7%
White	455,925	91.8%	+5.0%	85.6%	+4.0%
Black or African American	12,672	2.6%	+127.3%	5.2%	+63.0%
American Indian & Alaska Native	1,460	0.3%	+3.9%	1.1%	+4.6%
Asian & Other Pac. Islander	12,193	2.5%	+39.6%	4.2%	+56.9%
Some Other Race	5,403	1.1%	-3.4%	1.4%	+17.4%
Two or More Races	8,968	1.8%	+89.0%	2.5%	+59.6%
Hispanic or Latino	25,350	5.1%	+90.3%	4.8%	+79.3%

Source: [U.S. Census Bureau, American Community Survey](#)

Olmsted County had the most diverse population in the region, including 5.4 percent of the population that is Asian and 4.9 percent of the population that is Black or African American, which are the largest percentages for any county outside the Twin Cities. Rice, Mower, and Steele County also had relatively diverse populations, with Mower, Freeborn, Rice and Steele all having higher percentages of Hispanic or Latino residents than the state.

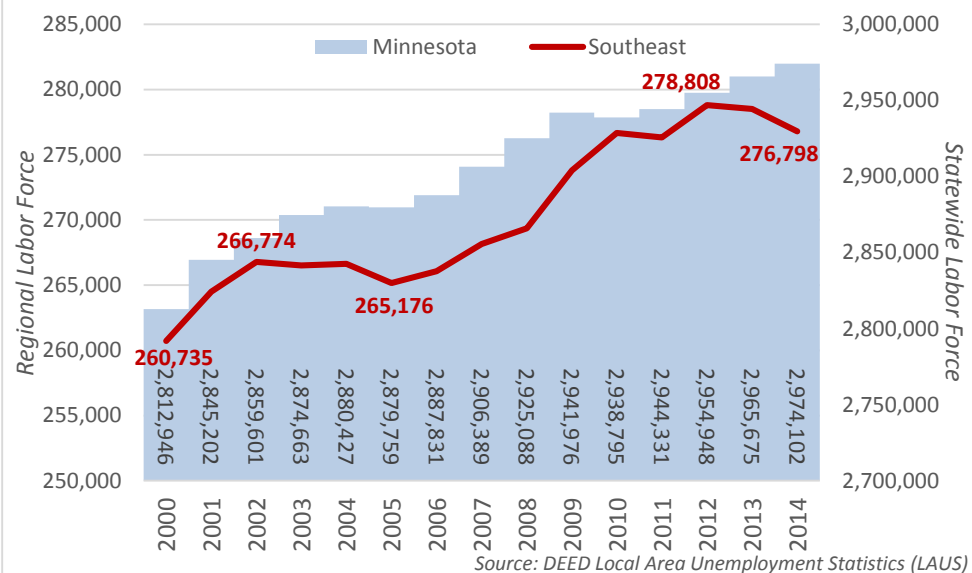
LABOR FORCE

LABOR FORCE CHANGE, 2000-2014

According to data from DEED's [Local Area Unemployment Statistics](#) program, Southeast had nearly 277,000 available workers in 2014. In line with the region's overall population gain, Southeast added over 16,000 workers over the last 14 years, from 260,735 available workers in 2000 to 276,798 in 2014. However, the labor force peaked in 2012 at 278,808 workers and has lost about 2,000 workers since then. In contrast, the state was gaining new workers over the last decade and a half, regardless of economic conditions, peaking in 2014 (see Figure 4).

As the economy has recovered, the labor market in the region has been getting tighter. Four of the 11 counties reported fewer than 500 unemployed workers, and the entire region had about 10,500 unemployed workers in 2014.

Figure 4. Annual Labor Force Estimates, 2000-2014



LABOR FORCE PROJECTIONS, 2015-2025

If Southeast Minnesota's population changes at the projected rates shown in Figure 3 above, the region would be expected to see an increase in the labor force over the next decade as well. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which show a surprisingly small increase in workforce numbers.

In addition to the overall increase, the labor force will see a significant shift over time, with large gains in the number of workers aged 65 years and over against a huge decline in the number of workers aged 45 to 54 years (see Table 3). However, the region is still expected to see gains in younger workers from 20 to 44 years. This will likely lead to a tight labor market in the future as well, with employers needing to respond to the changing labor force availability in the region.

Table 3. Southeast Minnesota Labor Force Projections

	2015 Labor Force Projection	2025 Labor Force Projection	2015-2025 Change	
			Numeric	Percent
16 to 19 years	17,164	17,127	-37	-0.2%
20 to 24 years	27,978	29,336	+1,358	+4.9%
25 to 44 years	106,581	110,704	+4,123	+3.9%
45 to 54 years	62,303	52,203	-10,100	-16.2%
55 to 64 years	50,826	51,024	+198	+0.4%
65 to 74 years	12,666	18,888	+6,222	+49.1%
75 years & over	2,885	3,964	+1,079	+37.4%
Total Labor Force	280,403	283,246	+2,843	+1.0%

Source: [Minnesota State Demographic Center, 2009-2013 American Community Survey 5-Year Estimates](#)

EMPLOYMENT CHARACTERISTICS, 2013

With 70.1 percent of the population aged 16 years and over in the labor force, the region had slightly lower labor force participation rates than the state's 70.3 percent. However, Southeast actually had higher participation rates for every age group except 25 to 44 year olds. The overall rate was lower because a higher percentage of Southeast's labor force was older (see Table 4).

Southeast had a less diverse workforce than the state; and also had smaller unemployment rate disparities for minority groups. There were nearly 14,500 veterans in the labor force in the region, with much higher labor force participation rates and lower unemployment rates. Southeast also had about 12,000 workers with disabilities. In sum, unemployment rates were highest for young people, minorities, workers with disabilities, and people with lower educational attainment.

Table 4. Employment Characteristics, 2013

Age Group	Southeast			Minnesota	
	Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	274,782	70.1%	5.9%	70.3%	7.1%
16 to 19 years	16,146	56.2%	18.5%	50.9%	20.2%
20 to 24 years	27,917	82.2%	8.9%	81.6%	11.2%
25 to 44 years	106,161	88.0%	5.6%	88.2%	6.3%
45 to 54 years	65,425	89.9%	4.1%	87.5%	5.6%
55 to 64 years	45,817	74.9%	3.5%	71.7%	5.5%
65 to 74 years	10,706	28.4%	3.7%	26.5%	4.5%
75 years & over	2,550	6.9%	1.8%	5.8%	4.6%
Employment Characteristics by Race & Hispanic Origin					
White alone	256,563	70.3%	5.5%	70.5%	6.3%
Black or African American	4,958	56.7%	17.2%	67.6%	17.5%
American Indian & Alaska Native	602	55.5%	11.3%	60.1%	18.8%
Asian	6,726	72.5%	5.2%	69.8%	8.5%
Some Other Race	2,912	79.0%	9.4%	77.6%	10.9%
Two or More Races	2,862	69.5%	12.6%	69.0%	14.4%
Hispanic or Latino	11,158	71.7%	12.2%	75.1%	10.4%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	14,469	80.4%	5.3%	68.0%	8.5%
Employment Characteristics by Disability					
With Any Disability	11,939	56.8%	12.2%	51.6%	14.6%
Employment Characteristics by Educational Attainment					
Population 25 to 64 years	217,437	85.4%	4.7%	84.2%	5.9%
Less than H.S. Diploma	11,002	69.2%	15.9%	66.9%	14.6%
H.S. Diploma or Equivalent	56,919	83.3%	6.2%	79.4%	8.0%
Some College or Assoc. Degree	80,434	86.4%	4.3%	85.6%	6.1%
Bachelor's Degree or Higher	69,062	89.4%	2.1%	89.1%	3.4%

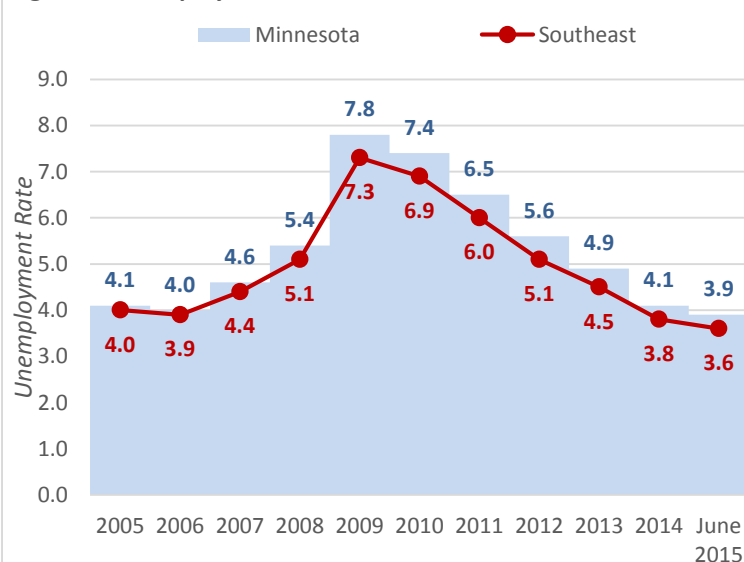
Source: [2009-2013 American Community Survey, 5-Year Estimates](#)

UNEMPLOYMENT RATE, 2005-2015

Southeast has consistently reported lower unemployment rates than Minnesota and the nation, regardless of the state of the economy. According to the [Local Area Unemployment Statistics](#) program, Southeast Minnesota's unemployment rate hovered just under the state rate from 2005 to 2008, then dropped 0.5 percent below the state rate even while climbing as high as 7.3 percent during the recession.

Since then, Southeast Minnesota's rate has fallen back to prerecession levels, ending at 3.6 percent in June of 2015 (see Figure 5).

Figure 5. Unemployment Rates, 2005-2015



Source: DEED Local Area Unemployment Statistics (LAUS)

COMMUTE SHED AND LABOR SHED, 2013

According to commuting data from the [U.S. Census Bureau](https://www.census.gov), the vast majority – about 77.5 percent – of workers who live in the region also work within the region. However, Southeast Minnesota is a net exporter of labor, having more workers than available jobs; not only drawing in workers from surrounding counties but also having residents drive outside the region to find work. In sum, 195,423 workers both lived and worked in Southeast in 2013, while another 42,420 workers drove into the region for work, compared to 56,895 workers who lived in the region but drove to surrounding counties for work (see Table 5 and Figure 6).

Table 5. Southeast Minnesota Inflow/Outflow Job Counts (All Jobs), 2013	2013	
	Count	Share
Employed in the Selection Area	237,843	100.0%
Employed in the Selection Area but Living Outside	42,420	17.8%
Employed and Living in the Selection Area	195,423	82.2%
Living in the Selection Area	252,318	100.0%
Living in the Selection Area but Employed Outside	56,895	22.5%
Living and Employed in the Selection Area	195,423	77.5%

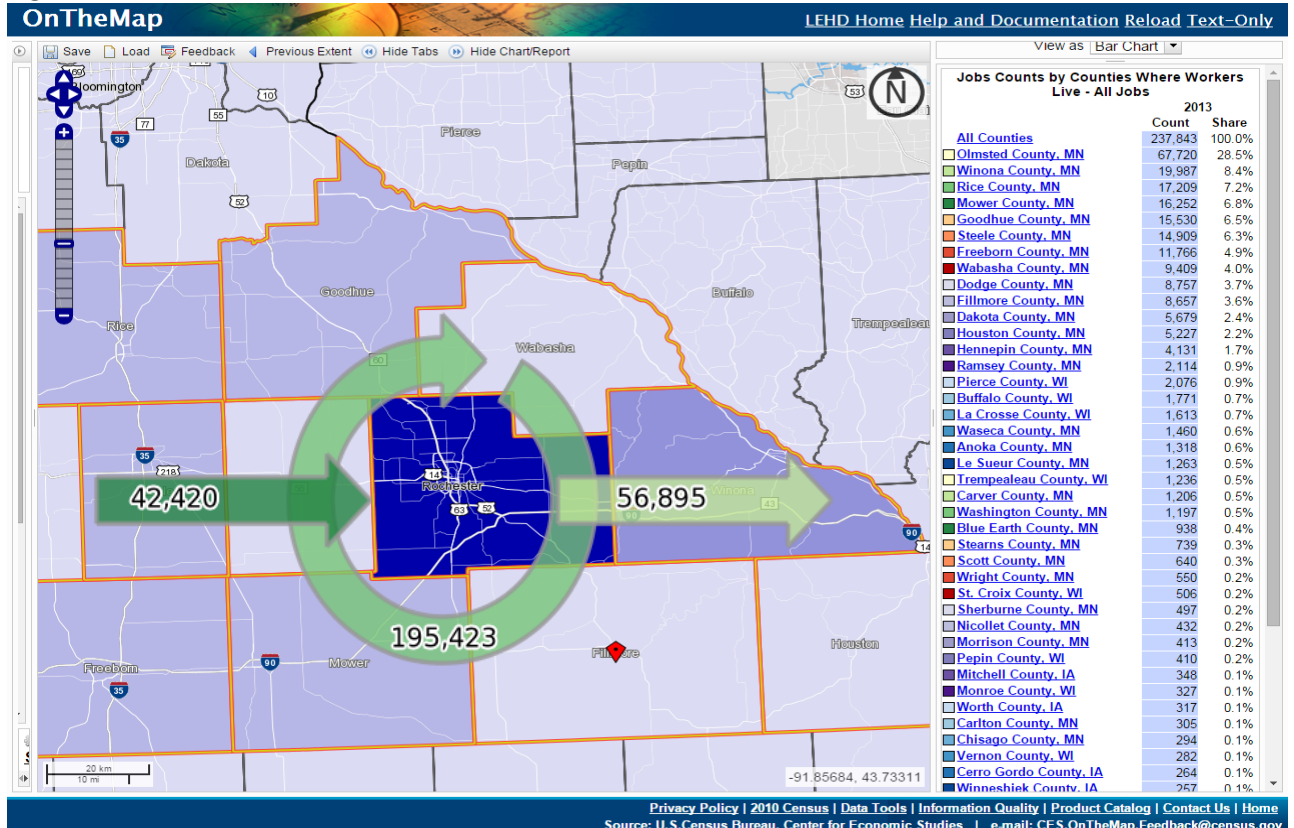
Source: [U.S. Census Bureau, OnTheMap](https://www.census.gov)

Anchored by Rochester, Olmsted County is the largest employment center in the region and was the biggest draw for workers, followed by Winona, Rice, Steele, Mower, Goodhue, and Freeborn County. Employers in the region both lose and draw workers from the Twin Cities metro area, as well as several counties across the border in Wisconsin. In contrast, the region also sends workers out of the region, primarily to the Twin Cities, but also to La Crosse County in Wisconsin, and Blue Earth County and the Mankato/North Mankato metro area (see Table 6 and Figure 6).

Table 6. Southeast Commuting Data	
Counties outside the region that send the most workers into the region	Counties outside the region that the most workers from inside the region travel to
Dakota Co. MN	Hennepin Co. MN
Hennepin Co. MN	Dakota Co. MN
Ramsey Co. MN	Ramsey Co. MN
Pierce Co. WI	La Crosse Co. WI
Buffalo Co. WI	Blue Earth Co. MN

Source: [U.S. Census Bureau, OnTheMap](https://www.census.gov)

Figure 6. Southeast Minnesota Labor and Commute Shed



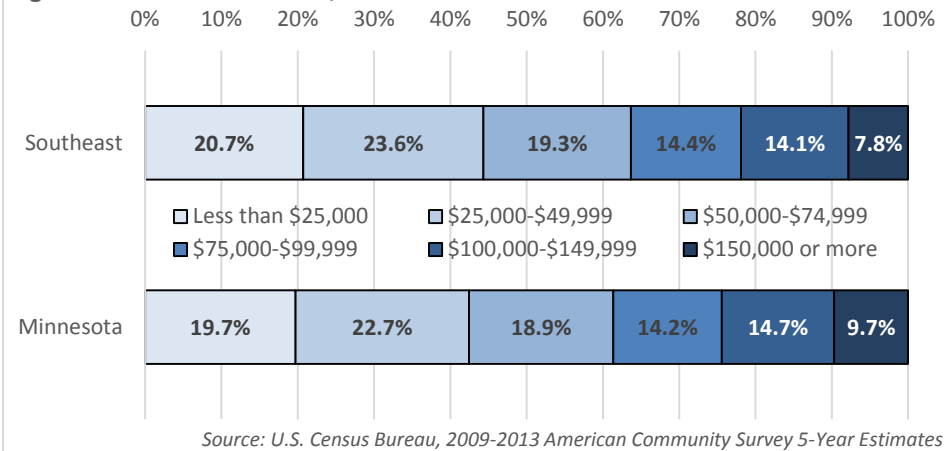
INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Southeast has very similar household income levels to the state, and had the highest income levels of any region outside the Twin Cities metro area. Median household incomes ranged from \$44,683 in Freeborn County, which was the 10th lowest (of 87) in the state, to \$66,252 in Olmsted and \$69,301 in Dodge County, which

were both among the 10 highest in the state. About 44.3 percent of the households in Southeast Minnesota had incomes below \$50,000 in 2013, compared to 42.2 percent statewide. A little over one-third of households earned between \$50,000 and \$100,000 in the region. The remaining 21.9 percent of households in Southeast earned over \$100,000 per year, compared to nearly 25 percent of households statewide (see Figure 7).

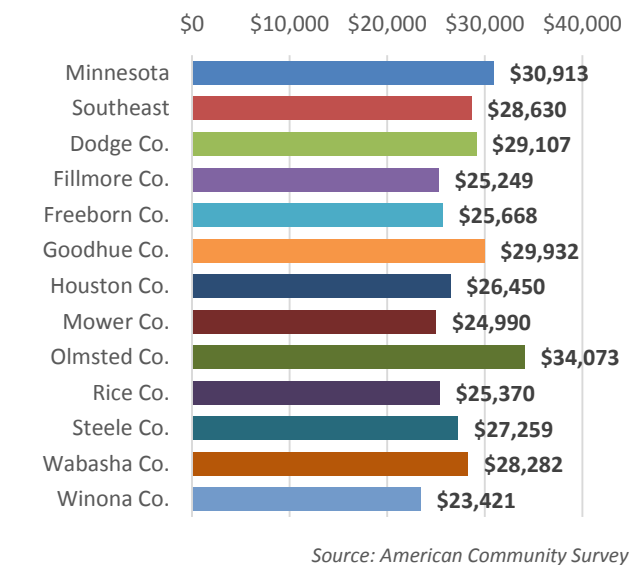
Figure 7. Household Incomes, 2013



PER CAPITA INCOMES

There were a wide range of per capita incomes in the region, though Southeast's \$28,630 per capita income was just slightly lower than the state at \$30,913. Per capita incomes ranged from \$23,421 in Winona County to \$34,073 in Olmsted County (see Figure 8).

Figure 8. Per Capita Incomes, 2013



COST OF LIVING

According to DEED's [Cost of Living tool](#), the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was \$50,988 in 2015. The cost of living for a similar family in Southeast Minnesota was \$45,300 – which was third highest of the six planning regions in the state. The highest monthly costs were for transportation, food, and housing; but the region's (see Table 7).

In order to meet the basic cost of living for the region, the workers in the family scenario described would need to earn \$14.52 per hour.

Table 7. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2015

Region	Family Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
			Child Care	Food	Health Care	Housing	Transportation	Other	Taxes
Southeast	\$45,300	\$14.52	\$285	\$761	\$396	\$794	\$987	\$218	\$334
Minnesota	\$50,988	\$16.34	\$443	\$772	\$405	\$907	\$1,039	\$235	\$448

Source: [DEED Cost of Living tool](#)

WAGES AND OCCUPATIONS

According to DEED's [Occupational Employment Statistics](#) program, the median hourly wage for all occupations in Southeast Minnesota was \$17.74 in the first quarter of 2015, which was the second highest wage level of the 6 planning regions in the state. Southeast's median hourly wage was about \$1.00 below the state's median wage, and \$2.75 below the Twin Cities metro area, which would amount to nearly \$6,000 per year for a full-time worker (see Table 8).

Table 8. Occupational Employment Statistics by Region, 1st Qtr. 2015	Median Hourly Wage	Estimated Regional Employment
Central Minnesota	\$16.66	263,270
Northeast Minnesota	\$16.58	141,800
Northwest Minnesota	\$15.42	203,060
Twin Cities Metro Area	\$20.49	1,691,650
Southeast Minnesota	\$17.74	253,990
Southwest Minnesota	\$15.48	177,030
State of Minnesota	\$18.65	2,730,020
<i>Source: DEED Occupational Employment Statistics</i>		

Twelve percent of Southeast Minnesota's jobs are in healthcare practitioners, which is double the concentration found statewide. Southeast also has higher concentrations of life, physical, and social science occupations, healthcare support workers, and production workers than the state.

Not surprisingly, the lowest-paying jobs are concentrated in food preparation and serving, personal care and service, sales and related, and building, grounds cleaning and maintenance jobs, which tend to have lower educational and training requirements. For the most part, the gap in pay between Southeast Minnesota and the state is also much lower in these jobs (see Table 9).

Table 9. Southeast Minnesota Occupational Employment Statistics, 1st Qtr. 2015							
	Southeast Minnesota				State of Minnesota		
	Median Hourly Wage	Estimated Regional Employment	Share of Total Employment	Location Quotient	Median Hourly Wage	Estimated Regional Employment	Share of Total Employment
Total, All Occupations	\$17.74	253,990	100.0%	1.0	\$18.65	2,730,020	100.0%
Office & Administrative Support	\$16.15	36,170	14.2%	1.0	\$17.27	409,100	15.0%
Healthcare Practitioners & Technical	\$29.86	30,490	12.0%	2.0	\$31.54	160,390	5.9%
Production	\$16.33	27,210	10.7%	1.3	\$16.61	217,830	8.0%
Sales & Related	\$11.78	20,690	8.1%	0.8	\$13.24	270,540	9.9%
Transportation & Material Moving	\$15.25	16,310	6.4%	1.0	\$16.18	167,130	6.1%
Healthcare Support	\$13.81	13,660	5.4%	1.6	\$13.63	89,360	3.3%
Business & Financial Operations	\$27.31	9,900	3.9%	0.7	\$30.37	159,970	5.9%
Computer & Mathematical	\$38.92	9,220	3.6%	1.1	\$37.96	91,560	3.4%
Food Preparation & Serving Related	\$9.11	8,910	3.5%	0.4	\$9.21	228,640	8.4%
Installation, Maintenance, & Repair	\$20.32	8,370	3.3%	1.0	\$21.52	94,310	3.5%
Building & Grounds Cleaning & Maint.	\$12.15	7,410	2.9%	1.0	\$12.03	81,560	3.0%
Personal Care & Service	\$10.80	7,350	2.9%	0.7	\$11.11	120,000	4.4%
Construction & Extraction	\$22.61	6,170	2.4%	0.7	\$24.88	91,240	3.3%
Protective Service	\$21.19	4,120	1.6%	1.0	\$19.43	43,660	1.6%
Architecture & Engineering	\$33.32	3,760	1.5%	0.8	\$34.76	50,980	1.9%
Life, Physical, & Social Science	\$28.35	3,590	1.4%	1.6	\$30.29	24,410	0.9%
Arts, Design, Entertainment, & Media	\$20.76	3,090	1.2%	0.9	\$21.82	36,430	1.3%
Legal	\$27.18	850	0.3%	0.5	\$38.48	18,330	0.7%
Farming, Fishing, & Forestry	\$15.04	300	0.1%	0.9	\$14.41	3,570	0.1%
Management	\$41.44	N/A	N/A	N/A	\$47.47	165,730	6.1%
Community & Social Service	\$20.70	N/A	N/A	N/A	\$20.51	49,210	1.8%
Education, Training, & Library	\$21.59	N/A	N/A	N/A	\$22.72	156,090	5.7%
<i>Source: DEED Occupational Employment Statistics, Qtr. 1 2015</i>							

In contrast, the highest paying jobs are found in management, computer and mathematical, architecture and engineering, life, physical and social science, business and financial operations, and legal, which all need higher levels of education and experience, including many that require bachelor's degrees or higher.

JOB VACANCY SURVEY

Employers reported just over 11,122 job vacancies in the second quarter of 2015, which was the highest number ever reported, and nearly double the amount posted one year prior. Overall, 39 percent of openings were part-time, and 37 percent required postsecondary education. The median hourly wage offer was \$13.83 (see Table 10).

	Number of Total Vacancies	Percent Part-time	Requiring Post-Secondary Education	Requiring 1 or More Years of Experience	Requiring Certificate or License	Median Hourly Wage Offer
Total, All Occupations	11,122	39%	37%	44%	43%	\$13.83
Food Preparation & Serving Related	1,745	54%	0%	36%	2%	\$9.56
Transportation & Material Moving	1,222	20%	2%	13%	83%	\$14.79
Personal Care & Service	1,020	58%	35%	37%	62%	\$11.01
Office & Administrative Support	979	36%	41%	52%	13%	\$13.56
Sales & Related	887	71%	3%	23%	17%	\$9.98
Education, Training, & Library	789	46%	78%	37%	83%	\$17.66
Healthcare Practitioners & Technical	691	50%	95%	62%	92%	\$22.93
Computer & Mathematical	556	1%	90%	96%	39%	\$39.31
Production	436	14%	26%	41%	25%	\$12.98
Building & Grounds Cleaning & Maintenance	424	48%	2%	22%	34%	\$9.94
Construction & Extraction	400	1%	10%	85%	58%	\$15.94
Installation, Maintenance, & Repair	397	14%	60%	47%	41%	\$19.54
Healthcare Support	364	65%	73%	24%	88%	\$14.52
Business & Financial Operations	337	11%	94%	87%	14%	\$17.00
Arts, Design, Entertainment, Sports, & Media	231	79%	22%	20%	8%	\$11.90
Management	212	1%	92%	95%	14%	\$40.26
Community & Social Service	173	12%	97%	79%	45%	\$13.97
Architecture & Engineering	91	8%	76%	78%	54%	\$24.01
Protective Service	79	87%	5%	12%	33%	\$8.00
Life, Physical, & Social Science	68	20%	97%	74%	78%	\$23.17
Farming, Fishing, & Forestry	13	24%	8%	12%	9%	\$9.95
Legal	7	0%	100%	53%	79%	\$16.16

Source: [DEED Job Vacancy Survey, Qtr. 4 2014](#)

OCCUPATIONS IN DEMAND

According to DEED's [Occupations in Demand](#) tool, 226 occupations are showing relatively high demand in the region, with training and education requirements ranging from short-term on-the-job training to postsecondary education to advanced degrees. Almost 45 percent of the occupations in demand require a high school diploma or less, while the other half require some postsecondary training, a vocational award, an associate's degree, a bachelor's degree, or an advanced degree.

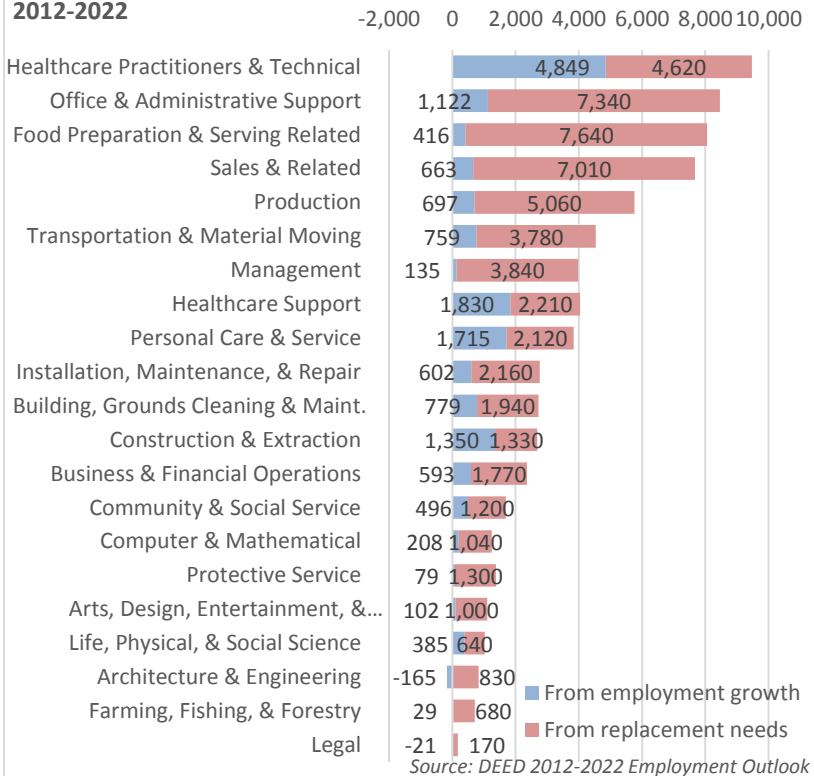
These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, registered nurses, nursing assistants, retail salespersons, LPN's and customer service representatives are the top five occupations based on the consistent need for workers in these industries. Seven of the top 25 jobs are in health care, 6 more are manufacturing-related, and 4 more are in customer service (see Table 11).

Table 11. Southeast Minnesota Occupations in Demand by Education Level, 2014

Less than High School	High School or Equivalent	Some College or Assoc. Degree	Bachelor's Degree or Higher
Retail Salespersons (\$22,709)	Customer Service Representatives (\$29,870)	Registered Nurses (\$62,216)	Medical and Health Services Managers (\$102,026)
Stock Clerks and Order Fillers (\$23,011)	Machinists (\$42,475)	Nursing Assistants (\$25,210)	Software Developers, Applications (\$95,858)
Combined Food Preparation & Serving Workers (\$18,290)	Tellers (\$27,050)	Licensed Practical/Vocational Nurses (\$41,355)	Nurse Practitioners (\$102,949)
Slaughterers and Meat Packers (\$27,900)	Social and Human Service Assistants (\$30,322)	Massage Therapists (\$47,803)	Software Developers, Systems (\$105,017)
Cashiers (\$19,596)	Maintenance and Repair Workers, General (\$38,747)	Heavy and Tractor-Trailer Truck Drivers (\$42,225)	Financial Managers (\$94,432)
Packers and Packagers, Hand (\$20,544)	Medical Secretaries (\$41,576)	Telecommunications Equip. Installers & Repair (\$58,983)	Dentists, General (\$157,397)
Home Health Aides (\$22,887)	Office Clerks, General (\$28,709)	First-Line Supervisors of Production and Operating Workers (\$54,943)	Network and Computer Systems Administrators (\$71,018)
Laborers and Freight Stock & Material Movers (\$28,106)	First-Line Supervisors of Food Preparation and Serving Workers (\$26,814)	Computer User Support Specialists (\$46,209)	Medical and Clinical Laboratory Technologists (\$64,432)
Personal Care Aides (\$22,253)	Veterinary Assistants and Lab. Animal Caretakers (\$35,428)	Dental Assistants (\$46,580)	Secondary School Teachers, Except Special and Career/Technical (\$56,540)
Machine Feeders and Offbearers (\$31,986)	First-Line Supervisors of Mechanics, Installers (\$61,691)	Medical Assistants (\$34,944)	Computer Systems Analysts (\$64,309)

Source: [DEED Occupations in Demand](#)**EMPLOYMENT PROJECTIONS**

Southeast Minnesota is projected to grow 6.4 percent from 2012 to 2022, a gain of 16,909 new jobs. In addition, the region is also expected to need 60,750 replacement openings to fill jobs left vacant by retirements and other career changers. The number of replacement openings is expected to dwarf the number of new jobs in every group except for healthcare practitioners, healthcare support, personal care and service, and construction and extraction occupations (see Figure 9). The highest amount of demand will be found in healthcare practitioners and technical, office and administrative support, food preparation & serving related, sales and related, production, and transportation and material moving occupations.

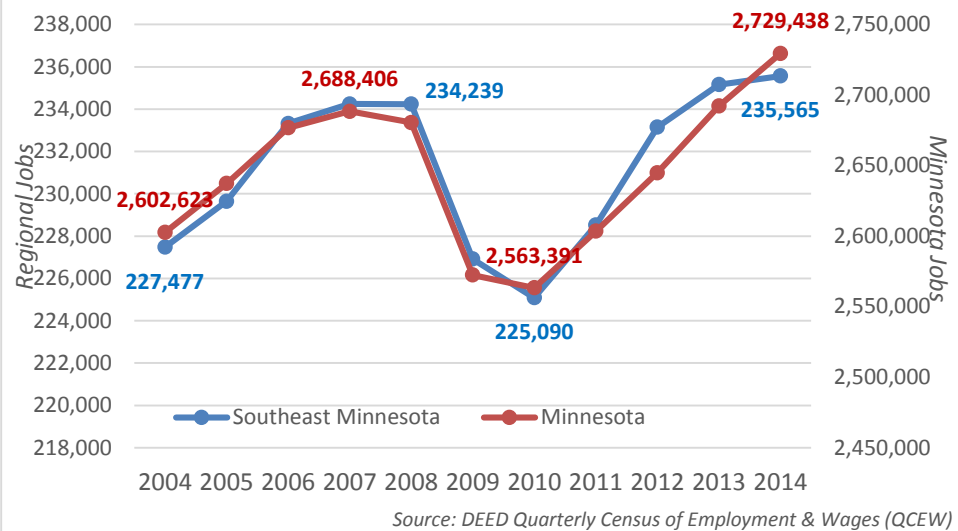
Figure 9. Southeast Minnesota Employment Projections, 2012-2022

ECONOMY

INDUSTRY EMPLOYMENT

Southeast Minnesota has seen employment ups and downs over the past decade, but ended 2014 with about 8,100 more jobs than it had in 2004. The region entered the recession later than the state, still experiencing job growth through 2008, before suffering severe declines in 2009 and 2010. Since then, Southeast Minnesota has recovered more slowly than the state, which gained jobs at a 6.5 percent clip from 2010 to 2014, compared to a 4.7 percent increase in the region. Southeast reached a pre-recession peak of 234,239 jobs in 2008, then hit a low of 225,090 jobs in 2010, and like the state, finally recovered all of the jobs lost during the recession in 2013 (see Figure 10).

Figure 10. Industry Employment Change, 2004-2014



Olmsted County is the largest employment center in the region and the sixth largest in the state, with 92,349 jobs at 3,364 firms. Four other counties in the region have between 21,000 and 25,000 jobs, including Winona with 24,770 jobs, Rice with 23,310 jobs, Goodhue at 21,698 jobs, and Steele County with 21,620 jobs. Ten of the 11 counties in the region added jobs since 2010, led by Olmsted, Winona, and Steele County. In contrast, Freeborn County lost 41 jobs from 2010 to 2014. Just 6 of the 11 counties saw job gains in the past year, led by Rice, Dodge, and Steele County; while even Olmsted County saw job losses from 2013 to 2014 (see Table 12).

Geography	Number of Firms	Number of Jobs	Total Payroll	Average Annual Wage	2010-2014		2013-2014	
					Change in Jobs	Percent Change	Change in Jobs	Percent Change
Southeast Minnesota	12,079	235,565	\$10,603,927,424	\$44,980	+10,475	+4.7%	+408	+0.2%
Dodge Co.	444	5,616	\$223,110,890	\$39,676	+485	+9.5%	+185	+3.4%
Fillmore Co.	642	6,003	\$184,518,365	\$30,680	+25	+0.4%	-42	-0.7%
Freeborn Co.	810	12,094	\$446,193,427	\$36,868	-41	-0.3%	-53	-0.4%
Goodhue Co.	1,335	21,698	\$914,392,284	\$42,120	+680	+3.2%	+4	0.0%
Houston Co.	429	4,930	\$148,390,177	\$30,056	+85	+1.8%	-66	-1.3%
Mower Co.	860	16,255	\$694,557,594	\$42,692	+148	+0.9%	-10	-0.1%
Olmsted Co.	3,364	92,349	\$5,028,626,013	\$54,444	+5,158	+5.9%	-92	-0.1%
Rice Co.	1,490	23,310	\$947,511,771	\$40,612	+966	+4.3%	+311	+1.4%
Steele Co.	935	21,620	\$848,941,638	\$39,312	+1,348	+6.6%	+100	+0.5%
Wabasha Co.	606	6,920	\$234,211,594	\$33,852	+264	+4.0%	+19	+0.3%
Winona Co.	1,165	24,770	\$933,473,671	\$37,648	+1,359	+5.8%	+55	+0.2%
State of Minnesota	164,409	2,729,438	\$140,857,248,755	\$51,584	+166,047	+6.5%	+37,321	+1.4%

Source: [DEED Quarterly Census of Employment & Wages \(QCEW\)](#)

With 59,543 jobs at 1,027 firms, health care and social assistance is the largest employing industry in Southeast Minnesota, accounting for 25.3 percent of total jobs in the region. That is over 8.5 percent higher than the state's concentration of employment in health care and social services. In addition, Southeast is still adding health care and social assistance jobs, gaining 1,891 jobs since 2010, a 3.3 percent increase, though the region saw a decline in health care jobs in the past year. At \$60,788 in 2014, average annual wages were nearly \$16,000 higher in health care and social assistance than all industries.

The next largest industry in Southeast Minnesota was manufacturing, with 37,151 jobs at 660 firms, which was also more concentrated in Southeast than the state as a whole. After losing jobs during the recession, manufacturing has gained 1,753 jobs over the past five years, a 5.0 percent increase.

Retail trade is the third largest industry, with 26,705 jobs at 1,798 establishments. Wages are relatively low in retail trade, and the region suffered job declines over the past year. In contrast, the accommodation and food services industry had 18,375 jobs at 1,087 establishments after gaining 1,566 jobs since 2010.

Other important industries in Southeast include educational services, public administration, administrative support and waste management and remediation services, construction, transportation and warehousing, wholesale trade, and other services. Sixteen of the 20 main industries added jobs from 2010 to 2014, with huge gains in administrative support and waste management – which includes temporary staffing agencies, health care and social assistance, manufacturing, accommodation and food services, transportation and warehousing, educational services, and construction. Job growth was not as widespread in the past year, with just 10 of the 20 industries adding jobs between 2013 and 2014 (see Table 13).

NAICS Industry Title	2014 Annual Data				Avg. Annual Wage	2010-2014		2013-2014	
	Number of Firms	Number of Jobs	Percent of Jobs	Total Payroll		Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	12,079	235,565	100.0%	\$10,603,927,424	\$44,980	+10,475	+4.7%	+408	+0.2%
Health Care & Social Assistance	1,027	59,543	25.3%	\$3,619,822,484	\$60,788	+1,891	+3.3%	-584	-1.0%
Manufacturing	660	37,151	15.8%	\$1,988,085,228	\$53,508	+1,753	+5.0%	+523	+1.4%
Retail Trade	1,798	26,705	11.3%	\$629,261,967	\$23,556	+233	+0.9%	-421	-1.6%
Educational Services	251	19,148	8.1%	\$793,391,837	\$41,548	+790	+4.3%	+354	+1.9%
Accommodation & Food Services	1,087	18,375	7.8%	\$257,077,168	\$13,936	+1,566	+9.3%	+144	+0.8%
Public Administration	349	10,355	4.4%	\$489,674,683	\$47,320	-165	-1.6%	+127	+1.2%
Admin. Support & Waste Mgmt.	462	9,323	4.0%	\$220,689,240	\$23,660	+2,068	+28.5%	-90	-1.0%
Construction	1,444	8,518	3.6%	\$418,527,733	\$48,932	+761	+9.8%	+287	+3.5%
Transportation & Warehousing	584	7,508	3.2%	\$288,466,885	\$38,376	+880	+13.3%	+185	+2.5%
Wholesale Trade	537	6,655	2.8%	\$382,642,572	\$57,460	+245	+3.8%	-193	-2.8%
Other Services	1,232	6,475	2.7%	\$146,162,857	\$22,568	+32	+0.5%	+106	+1.7%
Finance & Insurance	662	5,846	2.5%	\$380,502,064	\$65,052	-518	-0.8%	-110	-1.8%
Professional & Technical Services	747	3,716	1.6%	\$180,618,718	\$48,620	+182	+5.1%	-157	-4.1%
Information	182	3,628	1.5%	\$174,377,146	\$48,048	N/A	N/A	+185	+5.4%
Arts, Entertainment & Recreation	219	3,514	1.5%	\$77,508,444	\$22,100	-421	-10.7%	-14	-0.4%
Agriculture, Forestry, Fish & Hunt	368	2,989	1.3%	\$89,824,534	\$29,952	+421	+16.4%	-20	-0.7%
Management of Companies	55	2,934	1.2%	\$254,518,179	\$86,632	+321	+12.3%	+101	+3.6%
Real Estate, Rental & Leasing	351	1,541	0.7%	\$43,075,088	\$27,924	+57	+3.8%	-13	-0.8%
Utilities	51	1,505	0.6%	\$163,408,049	\$108,628	+40	+2.7%	-7	-0.5%
Mining	17	133	0.1%	\$6,292,548	\$45,864	+11	+9.0%	+7	+5.6%

Source: [DEED Quarterly Census of Employment & Wages \(QCEW\)](#)

DISTINGUISHING INDUSTRIES

In addition to health care and manufacturing, Southeast Minnesota has a broader list of industry sectors that are more prevalent in the region than the state. Several unique industries have a strong presence in Southeast Minnesota with location quotients over 2.5, including broadcasting (except internet), textile product mills, nonmetallic mineral product manufacturing, and food manufacturing (see Table 14).

NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Total Payroll	Avg. Annual Wages	Location Quotient
Total, All Industries	0	12,079	235,565	\$10,603,927,424	\$44,980	1.0
Broadcasting (except Internet)	515	40	1,455	\$60,017,975	\$41,184	3.0
Textile Product Mills	314	12	641	\$30,852,351	\$48,152	3.0
Nonmetallic Mineral Product Manufacturing	327	45	2,267	\$116,421,110	\$51,376	2.9
Food Manufacturing	311	108	10,312	\$475,223,035	\$46,072	2.6
Ambulatory Health Care Services	621	479	28,678	\$2,390,321,360	\$83,304	2.4
Animal Production & Aquaculture	112	200	2,069	\$62,839,198	\$30,316	2.3
Warehousing and Storage	493	21	925	\$43,363,608	\$46,852	1.6
Furniture & Related Product Manufacturing	337	45	1,291	\$61,631,908	\$47,736	1.6
Gasoline Stations	447	210	3,035	\$55,199,917	\$18,148	1.5
Support Activities for Agriculture & Forestry	115	63	270	\$7,319,251	\$27,144	1.4

Source: [DEED Quarterly Census of Employment & Wages \(QCEW\)](#)

INDUSTRY PROJECTIONS

As noted above, Southeast Minnesota's economy is projected to grow 6.4 percent from 2012 to 2022, a gain of 16,909 new jobs.

The largest and fastest growing industry is expected to be health care and social assistance, which may account for over 80 percent of total projected growth in the region from 2012 to 2022. The region is also expected to see notable employment growth in construction, administrative support and waste management services, retail trade, professional and technical services, transportation and warehousing, and accommodation and food services. In contrast, the region is expected to see declines in manufacturing employment, as well as smaller but still significant declines in information, utilities, and wholesale trade (see Table 15).

Industry	Estimated Employment 2012	Projected Employment 2022	Percent Change 2012-2022	Numeric Change 2012-2022
Total, All Industries	262,725	279,634	+6.4%	+16,909
Health Care & Social Assistance	58,543	72,368	+23.6%	+13,825
Manufacturing	36,591	35,739	-2.3%	-852
Retail Trade	26,714	27,571	+3.2%	+857
Accommodation & Food Services	17,948	18,209	+1.5%	+261
Admin. Support & Waste Mgmt.	9,219	10,428	+13.1%	+1,209
Other Services	9,593	9,649	+0.6%	+56
Construction	7,561	9,375	+24.0%	+1,814
Wholesale Trade	7,149	7,035	-1.6%	-114
Transportation & Warehousing	6,272	6,683	+6.6%	+411
Finance & Insurance	6,128	6,140	+0.2%	+12
Educational Services	5,138	5,263	+2.4%	+125
Professional & Technical Services	3,939	4,403	+11.8%	+464
Arts, Entertainment & Recreation	3,867	4,012	+3.7%	+145
Agriculture, Forestry, Fish & Hunt	3,226	3,371	+4.5%	+145
Information	3,456	3,104	-10.2%	-352
Management of Companies	2,801	2,839	+1.4%	+38
Real Estate, Rental & Leasing	1,577	1,733	+9.9%	+156
Utilities	1,313	1,202	-8.5%	-111
Mining	118	113	-4.2%	-5

Source: [DEED 2012-2022 Employment Outlook](#)

EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Southeast Minnesota were small businesses, with 52.8 percent of businesses reporting 1 to 4 employees in 2013, according to County Business Patterns from the U.S. Census Bureau. Another 33.9 percent had between 5 and 19 employees; with just 622 of the 12,199 businesses in the region having 50 or more employees. Just 31 businesses in the region had more than 500 employees, which is the Small Business Administration's official cut off for a "small business". Small businesses are vital to the region's economy (see Table 16).

	Southeast		Minnesota
Number of Employees	Number of Firms	Percent of Firms	Percent of Firms
1-4	6,443	52.8%	54.2%
5-9	2,403	19.7%	17.7%
10-19	1,729	14.2%	13.4%
20-49	1,002	8.2%	8.9%
50-99	340	2.8%	3.2%
100-249	194	1.6%	1.9%
250-499	57	0.5%	0.5%
500-999	17	0.1%	0.2%
1,000 or more	14	0.1%	0.1%
Total Firms	12,199	100.0%	100.0%

Source: [U.S. Census, County Business Patterns](#)

NONEMPLOYER ESTABLISHMENTS

Before growing, the basic building block of most small businesses is a self-employed business. Southeast Minnesota was home to 31,533 self-employed businesses or "nonemployers" in 2013, which are defined by the U.S. Census Bureau as "businesses without paid employees that are subject to federal income tax, originating from tax return information of the Internal Revenue Service (IRS)." Much like covered employment, Southeast has seen a slow but steady increase in nonemployers over the past decade, though only 5 of the 11 counties saw an increase. In sum, the region gained 1,749 new nonemployers from 2003 to 2013, a 5.9 percent rise. These nonemployers generated sales receipts of over \$1.3 billion in 2013 (see Table 17).

	2013		2003-2013	
	Number of Firms	Receipts (\$1,000s)	Change in Firms	Percent Change
Southeast Minnesota	31,533	\$1,324,598	+1,749	+5.9%
Dodge Co.	1,344	\$69,166	+58	+4.5%
Fillmore Co.	1,700	\$68,007	+1	+0.1%
Freeborn Co.	1,851	\$77,686	-38	-2.0%
Goodhue Co.	2,996	\$129,374	-7	-0.2%
Houston Co.	1,410	\$63,758	-13	-0.9%
Mower Co.	1,945	\$85,340	-156	-7.4%
Olmsted Co.	9,421	\$400,962	+1,391	+17.3%
Rice Co.	4,149	\$162,004	+535	+14.8%
Steele Co.	2,359	\$89,727	-10	-0.4%
Wabasha Co.	1,517	\$67,493	-182	-10.7%
Winona Co.	2,841	\$111,081	+170	+6.4%
State of Minnesota	388,900	\$17,268,230	+40,173	+11.5%

Source: [U.S. Census, Nonemployer Statistics program](#)

CENSUS OF AGRICULTURE

Finally, one of the most important industries in Southeast is agriculture, with 12,079 farms producing almost \$3.4 billion in the market value of products sold in 2012, according to the U.S. Department of Agriculture. Southeast had 16.2 percent of the state's farms, and 15.9 percent of the state's total market value, led by Mower, Goodhue, and Freeborn County, which were all among the top 14 counties in the state for the market value of products sold. Despite seeing a small decline in the number of farms, the region saw a 61.3 percent increase in the market value of products sold as many farms got bigger and commodity prices went up (see Table 18).

	Number of Farms	Market Value of Products Sold	State Rank	Change in Market Value, 2007-2012
Southeast Minnesota	12,079	\$3,392,056,000		+61.3%
Dodge Co.	621	\$288,129,000	36	+66.6%
Fillmore Co.	1,553	\$342,205,000	25	+53.4%
Freeborn Co.	1,122	\$416,020,000	14	+62.4%
Goodhue Co.	1,536	\$435,687,000	12	+65.1%
Houston Co.	920	\$146,256,000	57	+60.7%
Mower Co.	1,053	\$475,801,000	10	+65.4%
Olmsted Co.	1,150	\$250,093,000	42	+61.4%
Rice Co.	1,304	\$231,589,000	47	+68.8%
Steele Co.	796	\$293,053,000	34	+58.6%
Wabasha Co.	909	\$231,196,000	48	+60.3%
Winona Co.	1,115	\$282,027,000	37	+50.7%
State of Minnesota	74,542	\$21,280,184,000		+61.5%

Source: [2012 Census of Agriculture](#)